

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2018-318-E**

In the Matter of:	)	<b>SECOND SUPPLEMENTAL</b>
	)	<b>DIRECT TESTIMONY OF</b>
Application of Duke Energy Progress, LLC	)	<b>LAURA BATEMAN</b>
For Adjustments in Electric Rate Schedules	)	<b>FOR</b>
and Tariffs	)	<b>DUKE ENERGY PROGRESS, LLC</b>

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**I.     INTRODUCTION AND PURPOSE**

1     **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT**  
2     **POSITION.**

3     A.     My name is Laura A. Bateman and my business address is 411 Fayetteville Street,  
4            Raleigh, North Carolina. I am a Director of Rates & Regulatory Planning,  
5            employed by Duke Energy Carolinas, LLC, testifying on behalf of Duke Energy  
6            Progress, LLC (“DE Progress” or the “Company”).

7     **Q.     ARE YOU THE SAME LAURA A. BATEMAN WHO PREVIOUSLY**  
8     **FILED DIRECT, SUPPLEMENTAL, REBUTTAL AND REVISED**  
9     **REBUTTAL TESTIMONY AND EXHIBITS IN THIS PROCEEDING?**

10    A.     Yes.

11    **Q.     WHAT IS THE PURPOSE OF YOUR SECOND SUPPLEMENTAL**  
12    **DIRECT TESTIMONY IN THIS PROCEEDING?**

13    A.     The purpose of my testimony is to comment on the modification to the  
14            Company’s proposed Excess Deferred Income Tax (“EDIT”) Rider in the  
15            Stipulation entered into between DE Progress and Nucor Steel-South Carolina  
16            (“Nucor”) regarding the issues raised in Nucor’s direct testimony (“Stipulation”).

17    **Q.     DO YOU HAVE ANY EXHIBITS TO YOUR SECOND SUPPLEMENTAL**  
18    **TESTIMONY?**

19    A.     Yes. Bateman Second Supplemental Exhibit 3 updates the Company’s proposed  
20            EDIT Rider to reflect the terms of the Stipulation. The total impact of the  
21            modifications increases the benefit to customers in Year 1 of the EDIT Rider from  
22            \$9,881,000 to \$12,802,000 million. Below are the details of the modifications:

- 1       • On Page 1, Line 9 of the exhibit, the amortization period for the deferred  
2       revenues was reduced from 5 years to 3 years.
- 3       • On Page 1, Line 4 on the exhibit, the portion of deferred revenues to be  
4       removed from the rider and used to offset the Distributed Energy Resources  
5       Program (“DERP”) regulatory asset was reduced from \$12,668,000 to  
6       \$6,000,000.
- 7       • Since the deferred revenues included on Line 3, Page 1 of the exhibit only  
8       include deferred revenues through December 31, 2018, the remaining deferred  
9       revenues through May 31, 2019, will be included in the next annual update of  
10      the Rider, and will be flowed back over a two-year period starting June 1,  
11      2020. As a result, all deferred revenues will be returned to customers within  
12      three years of new rates effective in this case.

13      Bateman Second Supplemental Exhibit 3 reflects the Company’s requested rate of  
14      return. Bateman Exhibit 3 will be updated again to reflect the allowed rate of  
15      return once the Commission issues its order in this proceeding.

16   **Q.    WAS BATEMAN SUPPLEMENTAL EXHIBIT 3 PREPARED BY YOU OR**  
17   **AT YOUR DIRECTION AND UNDER YOUR SUPERVISION?**

18   A.    Yes.

19   **Q.    IN YOUR VIEW, IS THE STIPULATION IN THE PUBLIC INTEREST?**

20   A.    Yes. The Stipulation is the result of negotiations between the Stipulating Parties,  
21      it lowers the overall initial increase requested by the Company from South  
22      Carolina customers, and resolves many of the issues in the case between the

1 Stipulating Parties without the necessity of contentious litigation. Therefore, we  
2 respectfully request that the Commission approve the Stipulation.

**II. CONCLUSION**

3 **Q. DOES THIS CONCLUDE YOUR SECOND SUPPLEMENTAL DIRECT**  
4 **TESTIMONY?**

5 A. Yes.